

A SCHEME for Circulating 1,600,000 l. in Exchequer Bills by the Members of the Bank: But separate from the Bank in their Politick Capacity.

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THE chief Design of the Government in erecting the Bank, was, that it might be useful to the Publick: And the Design of the Proprietors in subscribing, was, the Profit they expected would arise from it; and likewise the making the other Estates they had in the Government the more valuable.

The Bank have proved very useful to the Publick, by taking in early Tallys; which gave great Credit to all the Publick Funds, and reduc'd and prevented great Discounts on Tallys.

Also their discounting Foreign and Inland Bills proved very advantageous not only to Trade, but also to the Publick Credit; for it embolden'd Persons to engage largely both in Trade and the Funds.

The great Load of Exchequer Bills upon the Bank, has all this last Year render'd them incapable either to take in the early Tallys, or to discount Bills and Notes as formerly; which has much contributed to the great Fall of all the Stocks and Funds.

Nor is there any probability of their rising considerably, till the Bank are enabled both to take in early Tallys and discount Bills, as freely as formerly.

And unless that happen to be the Consequence of their making Exchequer Bills Specie, it is much doubted whether it will answer the Ends propos'd.

It is found by Experience, That by the Bank's circulating Exchequer Bills, one chief End of making them, viz. of creating a kind of new Species of Mony, has not been answer'd; for thereby the other Credit of the Bank has been proportionably lessen'd. Whereas had this Credit been separate from and independent of the Bank, the Bills would have found their own Credit and Currency.

But now the Exchequer Bills and other Credit of the Bank, are so blended together, that one serves to obstruct and embarras the other.

Suppose therefore that the Government give 45,000 l. per ann. to make all the Exchequer Bills Specie, that brings the present Interest and Premium to near 7 l. 10 s. per Cent. per ann.

They may be manag'd in the following Method:

The whole Exchequer Bills amount to about	3,100,000 l.
If the Bank would agree to sink	1,500,000 l.
of the Exchequer Bills, which is but about 300,000 l. more than are in a manner now sunk by being kept always by them; and take for so doing the Interest they carry, together with the three per Cent. Premium allow'd for Circulating them, and 15,000 l. per ann. of the 45,000 l. allow'd for making them Specie, that will amount to 7 l. per Cent. per ann. for the said	1,500,000 l.
Interest of 1,500,000 l. at 7 l. per Cent. is	105,000 l.
Interest of 1,200,000 l. the Bank generally have by them at 6 per Cent. } which is all they make of them, is per ann.	72,000 l.
They would get for sinking the other 300,000 l. 11 l. per Cent. per ann. } being	33,000 l.
Total per ann.	105,000 l.

The remaining 1,600,000 l. and such Bills as shall hereafter be issued for Interest and Premium, may be circulated by a Subscription of the Members of the Bank, in the manner following, viz.

Let every Member of the Bank have liberty to subscribe towards this Circulation, 30 l. upon every 100 l. Stock he has, which will amount to above 1,600,000 l.

Let every Subscriber be oblig'd to pay 25 l. per Cent. of this Subscription, as a Deposite or Security for performance of his Contract; of which 10 l. per Cent. upon subscribing, and the remaining 15 l. per Cent. as shall be agreed.

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By this Method a Society will be erected, compos'd all of the Members of the Bank, and who will therefore naturally be tender of the Interest of the Bank, and not do any thing wilfully to their Prejudice, and who may be disabled by Law from keeping Cash, discounting Bills, or doing any other Act than circulating these Exchequer Bills: And the Governor and Deputy Governor of the Bank for the time being, may, for greater Satisfaction to the Bank, be always of the number of the Managers of it.

Let this Society, thus to be erected of the Members of the Bank, be oblig'd to circulate all the Exchequer Bills, but the 1,500,000 *l.* to be sunk by the Bank.

And for their Encouragement, let them have, on so many Bills as they circulate, the 3 *l.* *per Cent.* premium, allow'd by the Government for the circulating them; and the remaining 30,000 *l.* of 45,000 *l.* *per ann.* allow'd for making them all Specie.

This, with the Interest the Bills carry, will for some time amount to near 8 *l.* *per Cent.* *per ann.* upon the whole; and when all the Bills for the growing Interest and Premium are out, will amount to near 7 *l.* 10 *s.* *per Cent.* *per ann.*

When the Funds appropriated to sink the Exchequer Bills commence, what they amount to above the Interest on and Premio for circulating the Bills, and making them Specie, may be apply'd in the first place towards paying the Bank their said 1,500,000 *l.* and for the Interest thereof, in the mean time, the Bank will have Exchequer Bills; which being all Specie, and to be paid by this propos'd Society on Demand, will be equal to Money to the Bank.

There has been already paid into the Bank by their Members on their Stock, within less than a Million, as much Money as the Bank have lent by Act of Parliament to the Government, including all the Exchequer Bills; so that if the Bank are discharg'd of circulating 1,600,000 *l.* of the Exchequer Bills, they will have in their Disposal 600,000 *l.* of their own proper Money, besides all the Credit they shall have as a Bank; which will not only secure them from any future Calls upon their Members, but also enable them to divide to their Members the last 10 *l.* *per Cent.* paid in by them, and leave the Bank in as good a Capacity as ever to take in early Tallies, and discount Foreign and Inland Bills: So that a new Life will be given to all the Publick Credit.

As to such Members of the Bank as don't care to subscribe to this Circulation, they may have liberty to sell the Privilege of Subscription, which will be sold for a good Premium, as may be made appear by the Computation of the Profits which will arise to the Subscribers, especially if there be liberty to make 2 or 300,000 *l.* Exchequer Bills of 5 *l.* and 10 *l.* each without Interest, for the conveniency of paying the Seamen, Docks, &c.

METHOD

FOR THE

BANK

To sink 1,500,000 *l.* and
circulate 1,600,000 *l.* Ex-
chequer Bills by their own
Members.

19 January, 1711.

